

SENATE BILL 423

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to suits for delinquent taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-2404(a)(2), is amended by adding the following as new subdivision (C):

(C) Notwithstanding any provision of this part to the contrary, a taxpayer who challenges the validity of the tax, the assessment of the tax or a collection procedure or other action concerning the tax in a delinquent tax suit and does not prevail shall be liable for all additional costs of collection incurred by the taxing authority as a result of such challenge and a reasonable attorney's fee in addition to any statutory fee due the delinquent tax attorney for collection of delinquent taxes.

SECTION 2. Tennessee Code Annotated, Section 67-5-2410(d), is amended by adding the following at the end of the subsection:

Notwithstanding any provision of this part to the contrary, a taxpayer who challenges the validity of the tax, the assessment of the tax or a collection procedure or other action concerning the tax in a delinquent tax suit and does not prevail shall be liable for all additional costs of collection incurred by the taxing authority as a result of such challenge and a reasonable attorney's fee in addition to any statutory fee due the delinquent tax attorney for collection of delinquent taxes.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to delinquent tax suits filed on or after that date.